

# **MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY**

## **OPEN MEETING MINUTES**

**August 12, 2021**

**The regular meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. via teleconference only at 470-869-2200/meeting ID 428-245-6027 due to the COVID-19 pandemic.**

**The following were in attendance at this meeting:**

<b>Authority Members</b>	<b>MMG Staff</b>
<b>Les Hall</b>	<b>Randy Croxton</b>
<b>Chuck Martin</b>	<b>Mark Harrison</b>
<b>Laura Pasternak</b>	<b>Mike Howard</b>
<b>Sharon Pinder</b>	<b>Anthony Williams</b>
<b>Mara Sierocinski</b>	<b>Timothy Smoot</b>
<b>Clem Kaikis</b>	<b>Stanley Tucker</b>
<b>Gina Ramsey</b>	<b>Robin Harris</b>

**Attorney General's Office**  
Barbara Kountz, Deputy Counsel

## **AGENDA**

### **MINUTES**

July 22, 2021

### **EXTENSION**

Lyles Cleaning Services, LLC  
The Cunningham Consulting Group, Inc  
Van Eron's Pro Soccer, LLC

### **MODIFICATION**

MSBDFA COVID-19 Emergency Loan Fund – Forgiveness Grants

### **NEW REQUEST**

T.L. Brown Contractor, LLC  
ZWE Logistics, LLC  
YJ, LLC dba Inca Chicken

The closed session of July 22, 2021, meeting was summarized. The Authority Board meeting was attended by Les Hall, Gina Ramsey, Chuck Martin, Kenny Oreagba, and Mara Sierocinski. The meeting was closed to comply with requirements of the Maryland Public Information Act so that there would not be disclosure of confidential, commercial, and financial information associated with the applicants. The meeting was closed to discuss the modification request of DAR Healthcare Services, LLC and the new requests of Mobtown Fermentation, LLC dba Wild Kombucha and The Allocated Formula Group, Inc. dba AFG Networks. The requests for DAR Healthcare Services, LLC and Mobtown Fermentation, LLC dba Wild Kombucha were approved. The request for The Allocated Formula Group, Inc. dba AFG Networks was declined due to the lack of a motion.

1. DAR Healthcare Services, LLC – Modification to allow delinquent payments to be added to payments deferred in 2020 and paid after the maturity date (including accrued interest) with regular payments to begin October 1, 2021
2. Mobtown Fermentation, LLC dba Wild Kombucha - \$150,000 EPIP line of credit and \$134,000 EPIP term loan

## **MINUTES**

July 22, 2021

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the minutes as presented.

## **EXTENSION**

**Presenter:** Randy Croxton

**Applicant:** Lyles Cleaning Services, LLC

**Loan Amount:** \$150,000 Line of Credit (mobilization of up to \$25,000)

**Original Approval Date:** February 11, 2016

**Comments:** A 30-day approval extension to September 9, 2021, was requested to allow more time for the modification to close.

**Discussion:** There was limited discussion regarding the reason(s) for the closing delay.

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

### **EXTENSION**

**Presenter:** Randy Croxton

**Applicant:** The Cunningham Consulting Group, Inc.

**Loan Amount:** 1. \$150,000 EPIP Line of Credit (mobilization up to \$40,000)  
2. \$10,000 EPIP Term Loan

**Original Approval Date:** May 13, 2021

**Comments:** Approval was requested for a 30-day approval extension of the Line of Credit and the Term Loan through September 9, 2021, to allow more time to settle the two facilities.

**Discussion:** There was limited discussion regarding the request.

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

### **MODIFICATION**

#### **Grant Approval for MSBDFA COVID-19 Emergency Relief Loan Fund Round 2 Closed Loans**

**Presenter:** Randy Croxton

**Comments:** On March 11, 2021, the Authority approved providing Forgiveness Grants of up to \$50,000 to MSBDFA's COVID-19 loan recipients. There were 6 companies that were not approved for Forgiveness Grants at that time:

1.  
Gurmehar, LLC was approved on 12/10/20 for \$99,900 and closed on 12/17/20. The River Beas, LLC was approved on 1/14/21 for \$50,000 and closed on 1/26/21.  
*Gurmehar, LLC and The River Beas, LLC are owned by the same person. Approval was requested to provide a \$50,000 grant to The River Beas, LLC. The new loan balance will be \$0.00. A Forgiveness Grant was not requested for Gurmehar, LLC.*
2. Ankit, Inc. was approved on 1/14/21 for \$70,000 and closed on 1/29/21.  
Sandip, Inc. was approved on 1/14/21 for 25,000 and closed on 1/29/21.

*Ankit, Inc. and Sandip, Inc. are owned by the same group of people. Approval was requested to provide a \$50,000 grant to Ankit, Inc. The new loan balance will be \$20,000. A Forgiveness Grant was not requested for Sandip, Inc.*

3. Bennett Dental Associates, LLC was approved on 1/28/21 for \$100,000 and closed on 2/28/21. ***Approval was requested to provide a \$50,000 grant to Bennett Dental Associates, LLC. The new loan balance will be \$50,000.***
4. Adventures By Dawn, LLC d/b/a Adventures Tour was approved on 1/28/21 for \$200,000 and closed on 6/10/21.

MSBDFA has not been able to get the recordation of its Indemnity Deed of Trust (IDOT) on the principal's investment property in Prince George's County which was required for the non COVID-19 loan approved by the Authority. MMG's attorney received the filed IDOT back with a note stating the recording was rejected as the property is not assessed as the owners', Adnan Khan's or Linda Khan's, principal residence, and the county requested copies of their driver's licenses. After receiving copies of the driver's licenses, the county's rejection remained. Therefore, a county transfer tax of \$5,600 must be paid to record the deed. In notifying Mr. Adnan Khan, he is proposing to substitute as collateral for the Prince George's property, one of the paid off buses acquired in 2020. MMG is awaiting a dealer valuation report/letter to determine if it would be acceptable to consider.

**It was recommended MSBDFA hold off on issuing a grant of any amount until this matter is resolved. A recommendation will be made by the August 26, 2021, Authority meeting.**

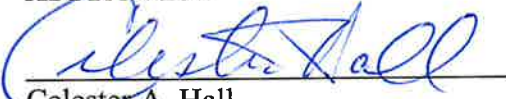
**Discussion:** There was limited discussion regarding the filed IDOT for Adventures By Dawn, LLC d/b/a Adventures Tours. It was stressed to MMG by the Chairman, Les Hall, that the property pledged as collateral for the loan would be the most favorable option.

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the requests as presented for Forgiveness Grants for The River Beas, LLC, Ankit, Inc., and Bennett Dental Associates, LLC.

**NOTE:** A member of the public, Ms. Tamera Allen, was present during the meeting. Les Hall directed Ms. Allen to contact MMG (Randy Croxton) directly regarding financing programs available to assist her business.

The Open Meeting then closed at 1:45 p.m. upon motion made and seconded, and approved by all voting members, the meeting was closed pursuant to General Provisions Article, Section 3-305(b) (13), "to comply with a specific... statutory... requirement that prevents public disclosures about a particular proceeding or matter", that is, the Maryland Public Information Act prohibits disclosure of trade secrets, confidential commercial and confidential financial information. Chairman Les Hall signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an exhibit.

**APPROVED:**

  
Celester A. Hall  
Chairman

**DATE:**

9-14-21

**MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY**

**PRESIDING OFFICER'S WRITTEN STATEMENT FOR CLOSING A MEETING  
UNDER THE OPEN MEETINGS ACT  
(General Provisions Article § 3-305)**

**1. Recorded vote to close the meeting:**

Date: August 12, 2021

Time: 1:45 pm – 2:55

Location: Held by conference call only due to COVID 19 pandemic at 470.869.2200/428 245 6027

Motion to close meeting made by: Gina Ramsey; Seconded by Laura Pasternak

Vote to Close Session:

	AYE	NAY	ABSTAIN	ABSENT
Celester Hall, Chair, Designee Secretary of Commerce	[ x ]	[ ]	[ ]	[ ]
Clemis Kaikis, designee of Comptroller	[ x ]	[ ]	[ ]	[ ]
Charles Martin	[ x ]	[ ]	[ ]	[ ]
Kehinde Oreagba	[ ]	[ ]	[ ]	[ x ]
Laura Pasternak	[ x ]	[ ]	[ ]	[ ]
Sharon Pinder	[ x ]	[ ]	[ ]	[ ]
Gina Ramsey	[ x ]	[ ]	[ ]	[ ]
Mara Sierocinski	[ x ]	[ ]	[ ]	[ ]

**2. Citation of statutory authority to close session (check all that apply): This meeting is being closed under General Provisions Article § 3-305(b), only:**

\_\_\_\_ (1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals;

\_\_\_ (2) To protect the privacy or reputation of individuals concerning a matter not related to public business;

\_\_\_ (3) To consider the acquisition of real property for a public purpose and matters directly related thereto;

\_\_\_ (4) To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;

\_\_\_ (5) To consider the investment of public funds;

\_\_\_ (6) To consider the marketing of public securities;

**X** (7) To consult with counsel to obtain legal advice on a legal matter;

\_\_\_ (8) To consult with staff, consultants, or other individuals about pending or potential litigation;

\_\_\_ (9) To conduct collective bargaining negotiations or consider matters that relate to the negotiations;

\_\_\_ (10) To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the deployment of fire and police services and staff; and (ii) the development and implementation of emergency plans;

\_\_\_ (11) To prepare, administer, or grade a scholastic, licensing, or qualifying examination;

\_\_\_ (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct;

**X** (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter;

\_\_\_ (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

**3. Disclosure of the topics to be discussed, for each citation checked above:**

§3-305(b)(13) topics: Discussion and evaluation of the applications received from potential borrowers for financial assistance under programs of the Maryland Small Business Development Financing Authority, which applications include the disclosure of financial information of private individuals and confidential commercial and financial information.

§3-305(b)(7) topics: Legal advice from counsel to the Authority with respect to the applications.

4. For each topic listed in #2, disclosure of the reason for discussing it in closed session rather than in open session:

§3-305(b)(13): Financial information of private individuals is protected from disclosure under the Maryland Public Information Act (§4-336) and confidential commercial and financial information is protected from disclosure under the Maryland Public Information Act (§4-335).

§3-305(b)(7): Protection of the attorney-client privilege.

**This statement is made by Celester Hall, Chair of the Maryland Small Business Development Financing Authority, Presiding Officer.**

  
Celester Hall  
Chair